

# ModernGraham Valuation

## Company Name:

Company Ticker D

Date of Analysis

7/22/2016

Dominion Resources,  
Inc.



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

|  |  |                       |
|--|--|-----------------------|
| 1. Adequate Size of the Enterprise         | Market Cap > \$2Bil  | \$48,567,059,232 Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 0.49 Fail             |
| 3. Earnings Stability                      | Positive EPS for 10 years prior  | Pass                  |
| 4. Dividend Record                         | Dividend Payments for 10 years prior   | Pass                  |
| 5. Earnings Growth                         | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | -0.98% Fail           |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 26.58 Fail            |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 3.65 Fail             |

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

|  |                                |            |
|--|--------------------------------|------------|
| 1. Sufficiently Strong Financial Condition | Current Ratio > 1.5            | 0.49 Fail  |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | -6.35 Fail |
| 3. Earnings Stability                      | Positive EPS for 5 years prior | Pass       |
| 4. Dividend Record                         | Currently Pays Dividend        | Pass       |
| 5. Earnings Growth                         | EPSmg greater than 5 years ago | Pass       |

### Suitability

|                     |           |
|---------------------|-----------|
| <b>Defensive</b>    | <b>No</b> |
| <b>Enterprising</b> | <b>No</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                |
|-----------------------------|----------------|
| EPSmg                       | \$2.95         |
| MG Growth Estimate          | 4.42%          |
| <b>MG Value</b>             | <b>\$51.21</b> |
| MG Value based on 3% Growth | \$42.83        |
| MG Value based on 0% Growth | \$25.11        |
| Market Implied Growth Rate  | 9.04%          |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$78.51           |
| % of Intrinsic Value | 153.32%           |
| <b>Opinion</b>       | <b>Overvalued</b> |
| <b>MG Grade</b>      | <b>D</b>          |

## Stage 3: Information for Further Research

|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$71.74 |
| Graham Number                                  | \$42.27  |
| PEmg   | 26.58    |
| Current Ratio                                  | 0.49     |
| PB Ratio                                       | 3.65     |
| Current Dividend                               | \$2.64   |
| Dividend Yield                                 | 3.37%    |
| Number of Consecutive Years of Dividend Growth | 13       |

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| EPS History               |        | EPSmg History                             |                  |
|---------------------------|--------|---|------------------|
| Next Fiscal Year Estimate | \$3.68 | Next Fiscal Year Estimate                 | \$2.95           |
| Dec2015                   | \$3.20 | Dec2015                                   | \$2.48           |
| Dec2014                   | \$2.24 | Dec2014                                   | \$2.28           |
| Dec2013                   | \$2.93 | Dec2013                                   | \$2.39           |
| Dec2012                   | \$0.53 | Dec2012                                   | \$2.28           |
| Dec2011                   | \$2.45 | Dec2011                                   | \$3.20           |
| Dec2010                   | \$4.76 | Dec2010                                   | \$3.45           |
| Dec2009                   | \$2.17 | Dec2009                                   | \$2.70           |
| Dec2008                   | \$3.16 | Dec2008                                   | \$2.81           |
| Dec2007                   | \$3.88 | Dec2007                                   | \$2.40           |
| Dec2006                   | \$1.97 | Dec2006                                   | \$1.66           |
| Dec2005                   | \$1.50 | Dec2005                                   | \$1.50           |
| Dec2004                   | \$1.89 | Dec2004                                   | \$1.45           |
| Dec2003                   | \$0.50 | Dec2003                                   | \$1.20           |
| Dec2002                   | \$2.41 | Dec2002                                   | \$1.47           |
| Dec2001                   | \$1.08 | Dec2001                                   | \$1.01           |
| Dec2000                   | \$0.93 | Dec2000                                   | \$1.01           |
| Dec1999                   | \$0.74 | <b>Balance Sheet Information 3/1/2016</b> |                  |
| Dec1998                   | \$1.37 | Total Current Assets                      | \$3,711,000,000  |
| Dec1997                   | \$1.08 | Total Current Liabilities                 | \$7,518,000,000  |
| Dec1996                   | \$1.32 | Long-Term Debt                            | \$24,186,000,000 |
|                           |        | Total Assets                              | \$59,505,000,000 |
|                           |        | Intangible Assets                         | \$3,294,000,000  |
|                           |        | Total Liabilities                         | \$46,625,000,000 |
|                           |        | Shares Outstanding (Diluted Average)      | 598,200,000      |





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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